Enabling Appropriations

Security Initiatives

Internal Reform, Workforce Adjustment and General Salary Increases

---

Other Appropriations

Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities

Better Systems Initiative

Annual Report 2002 - 2003

Manitoba

104-00490/

Enabling Appropriations

Security Initiatives

Internal Reform, Workforce Adjustment and
General Salary Increases

Other Appropriations

Allowance for Losses and Expenditures Incurred by
Crown Corporations and Other Provincial Entities

Better Systems Initiative

Annual Report
2002 - 2003

Manitoba

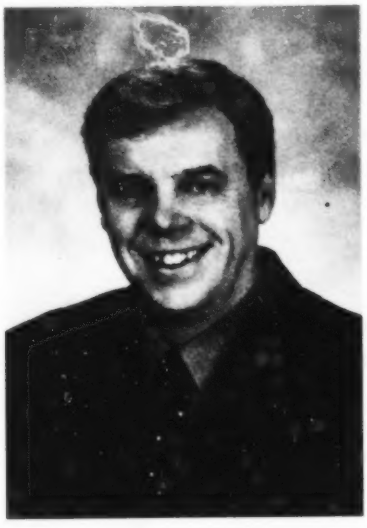
Minister of
Finance

Room 103
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour
The Honourable Peter M. Liba, C.M.
Lieutenant-Governor of Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report covering various appropriations voted by the Legislature under the "Enabling Appropriations" and "Other Appropriations" service headings for the fiscal year ended March 31, 2003.



Respectfully submitted,

Honourable Greg Selinger
Minister of Finance

Table of Contents

Title	Page
Preface/Introduction	**7**
Part A – Operating Expenditure	
Enabling Appropriations	
- **Security Initiatives**	**11**
- **Internal Reform, Workforce Adjustment and General Salary Increases**	**12**
Other Appropriations	
- **Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities**	**13**
- **Better Systems Initiative**	**14**
Part B – Capital Investment	
- **Internal Reform, Workforce Adjustment and General Salary Increases**	**17**

Preface/Introduction

Enabling Appropriations

Enabling Appropriations is a collection of service headings that provide expenditure authority for programs that are delivered by a number of departments or other government units, where it is desirable to know the total amount allocated to the program, or where the allocation is not known at the time of printing of the estimates. These programs are not inter-related.

Funding voted under the enabling appropriations service headings is administered in two ways. Funding is allocated, as required, from enabling appropriations to departments or other government units responsible for program delivery. Approved expenditures are either charged directly to the appropriation in the delivery unit or in some situations, the departments recover expenditures incurred from an enabling appropriation. Authority to make allocations from enabling appropriations to program appropriations is granted to the Minister of Finance under section 33 of The Financial Administration Act (1997).

Other Appropriations

Other Appropriations is made up of a number of service headings that are not specific to any one department. Delivery departments or other government units are granted authority to either charge approved expenditures directly to the appropriation, or to recover expenditures from the appropriation. Therefore, all expenditures are reflected against the service heading. Again, these programs are not inter-related.

A number of these programs have separate reports or are included in the annual reports of departments that manage the service heading. This report includes only those programs that are not reported elsewhere. The following table identifies all of the programs included in Enabling Appropriations and Other Appropriations and where the annual report for each program can be found.

Enabling Appropriations

Canada-Manitoba Enabling Vote	reports of departments responsible for delivery of the individual agreements
Sustainable Development Innovations Fund	separate report
Justice Initiatives	report of Manitoba Justice
Security Initiatives	this report
Internal Reform, Workforce Adjustment and General Salary Increases	this report

Other Appropriations

Emergency Expenditures ..... report of Manitoba Transportation and Government Services

Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities ..... this report

Better Systems Initiative ..... this report

Capital Investment

Internal Reform, Workforce Adjustment and General Salary Increases ..... this report

PART A – OPERATING EXPENDITURE

Enabling Appropriations

Security Initiatives

This appropriation provides funding for implementation of various security initiatives with expenditure authority being transferred to departments on an as required basis. As a result, actual expenditures are recorded in delivery departments.

In 2002/03, $273.8 in authority was transferred to the Department of Labour and Immigration, Office of the Fire Commissioner, leaving a balance of $726.2 in expenditure authority in the appropriation.

26-4 Security Initiatives

Actual 2002/03 $000s	Estimate 2002/03 $000s	Variance Over (Under) $000s	Expl. No.	Actual 2001/02 $000s	Variance Over (Under) $000s	Expl. No.
-	726	(726)	1	-	-	

1. The variance reflects lower than anticipated expenditures in the first year that authority was provided for this purpose.

Five Year Expenditure Summary

1998/99 $000s	1999/2000 $000s	2000/01 $000s	2001/02 $000s	2002/03 $000s
-	-	-	-	-

Internal Reform, Workforce Adjustment and General Salary Increases

This appropriation provides funding for various internal reform initiatives as well as any workforce adjustment costs which may result from changes in program design. This appropriation also provides for any costs related to general salary increases in government departments where the amount of the increase by department was not known at the time of tabling of the estimates. Normally, expenditure authority is transferred to departments on an as required basis. As a result, actual expenditures are recorded in delivery departments.

In 2002/03, $16.7 million in authority was transferred to various departments, leaving a balance of $8.3 million in expenditure authority in the appropriation.

26-4 Internal Reform and Workforce Adjustment

Actual 2002/03 $000s	Estimate 2002/03 $000s	Variance Over (Under) $000s	Expl. No.	Actual 2001/02 $000s	Variance Over (Under) $000s	Expl. No.
-	8,302	(8,302)	1.	-	-	

1. The variance reflects lower than anticipated requirements in 2002/03.

Five Year Expenditure Summary *

1998/99 $000s	1999/2000 $000s	2000/01 $000s	2001/02 $000s	2002/03 $000s
21,000	19,564	28,101	-	-

* Normally, funding for the purposes of internal, workforce adjustment and/or general salary increases is allocated from this enabling appropriation to departmental program appropriations where the costs are incurred; actual expenditures are not reflected under this appropriation. However, in prior years, extraordinary or one-time costs for government programming were incurred under this appropriation.

Provisions of $37.0 million in 1997/98 and $21.0 million in 1998/99 for Year 2000 (Y2K) costs were made against the appropriation to recognize the cost of replacing computer systems that had become obsolete. In 1999/2000, a provision of $24.7 million was made to reflect the loss related to the portion of the investment in the Better Systems Initiative that had no future benefit and a $5.0 million provision was made for the province's commitment to the Community Access Program. These provisions were partially offset by a $(11.1) million reduction in the province's liability related to the Y2K project. In 2000/01, a non-recurring expense was incurred due to the establishment of a provision for the province's liability related to the termination of the water power rental agreement with Manitoba Hydro.

Other Appropriations

Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities

This appropriation provides funding for losses and expenditures incurred by various Crown corporations, agencies, boards and commissions, and other provincial entities which are not otherwise provided for through a department's estimates of expenditure. 2001/02 expenditures were as follows:

Manitoba Potash Corporation - The province funds 49% of the corporation's annual operating costs as per a joint venture agreement with Potamine Potash Mining of Canada Inc. 2002/03 payments totaled $80,000.00.

Venture Manitoba Tours Ltd. - The province maintains a provision for potential losses related to the operation of Venture Manitoba Tours Ltd., a provincial Crown corporation which operates the Gull Harbour Resort and Conference Centre and the Falcon Lake Golf Course. The provision also recognizes the province's exposure on an outstanding loan guarantee issued by the province for the Gull Harbour Resort. The 2002/03 cost was $2,133,271.00.

27-2 Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities

Actual 2002/03 $000s	Estimate 2002/03 $000s	Variance Over (Under) $000s	Expl. No.	Actual 2000/01 $000s	Variance Over (Under) $000s	Expl. No.
6,771	775	5,996	1	1,585	5,186	2

1. The increase is a result of an unanticipated $4,547,184.00 provision for Manitoba Hazardous Waste Management Corporation to more accurately reflect the corporation's financial position combined with higher than anticipated operating and capital requirements for Gull Harbour Resort and Falcon Lake Golf Course which are operated by Venture Manitoba Tours Ltd.

2. The year-over-year increase results from an increase in the provisions for Manitoba Hazardous Waste Management Corporation and Venture Manitoba Tours Ltd. in 2002/03.

Five Year Expenditure Summary

1998/99 $000s	1999/2000 $000s	2000/01 $000s	2001/02 $000s	2002/03 $000
(129)	236	958	1,585	6,771

Better Systems Initiative

This appropriation provided for operating costs associated with the Better Systems Initiative. Costs relate to maintenance fees as well as general operating costs for assets developed under the Initiative.

Additional information on the Initiative may be found in the Department of Energy, Science and Technology's Annual Report.

27-5 Better Systems Initiative

Actual 2002/03 $000s	Estimate 2002/03 $000s	Variance Over (Under) $000s	Expl. No.	Actual 2001/02 $000s	Variance Over (Under) $000s	Expl. No.
9,199	9,200	(1)		9,024	175	

Five Year Expenditure Summary

1998/99 $000s	1999/2000 $000s	2000/01 $000s	2001/02 $000s	2002/03 $000s
-	-	5,398	9,024	9,199

PART B – CAPITAL INVESTMENT

Enabling Appropriations – Capital Investment

Internal Reform, Workforce Adjustment and General Salary Increases

This appropriation provided funding for the development costs incurred in 2002/03 to support the cross-departmental Better Systems Initiative that involves system development and redevelopment work in several key business areas in government and other information technology projects. In addition, authority was provided for security enhancements and to provide capital investment authority related to tangible capital asset losses not covered by insurance.

B.8 Internal Reform and Workforce Adjustment

Actual 2002/03 $000s	Estimate 2002/03 $000s	Variance Over (Under) $000s	Expl. No.	Allocated/ Actual 2001/02 $000s	Variance Over (Under) $000s	Expl. No.
12,426	21,936	(9,510)	1	16,619	(4,193)	2

1. Variance reflects lower than anticipated development costs for the Better Systems Initiative (Department of Energy, Science and Technology) as well as authority provided for other information technology projects not being utilized, as projects did not proceed as originally anticipated.

   This reduction is partially related to a review and restructuring of the corporate information technology capacity undertaken during 2002/03.

2. Variance reflects cash flow requirements of approved projects under the Better Systems Initiative that vary from year to year depending on what systems are under development.

Five Year Expenditure Summary

1998/99 $000s	1999/2000 $000s	2000/01 $000s	2001/02 $000s	2002/03 $000s
-	11,972	10,537	16,619	12,426

Note: 1999/2000 represented the first year of the implementation of the accounting policy for tangible capital assets. Prior to 1999/2000, costs for the corporate technology projects, including Better Systems, were funded through the Government Information System Management Organization (GISMO).